THE STRONGMAN SOLUTION:

Elite Responses to Democratic Threats in the Interwar Period

A Comparative Analysis of Italy, Germany, Spain, and the United States, 1919-1939

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ABSTRACT

Between 1919 and 1939, industrialized nations faced unprecedented challenges to elite wealth and power from organized left-wing movements empowered by democratic institutions and economic crisis. This paper examines four cases where elites confronted similar threats—socialist parties, communist organizing, labor militancy, redistributive policies—and deployed similar strategies: coordinating with military or paramilitary forces to suppress democratic left movements through authoritarian strongmen. The outcomes varied dramatically. In Italy, Mussolini's fascism provided the proof-of-concept that violent suppression of the left could protect elite interests. In Spain, Franco executed the model perfectly, ruling for forty years while protecting Church and landowner privileges. In Germany, Hitler's appointment represented catastrophic elite miscalculation as the strongman they thought they controlled led the nation to total destruction. In the United States, the Business Plot failed when General Smedley Butler refused recruitment, exposing elite conspiracy without consequence. By comparing these parallel cases with divergent outcomes, the analysis reveals both structural patterns in elite response to democratic threats and the crucial role of human agency—the specific decisions made by strongmen, elite factions, and institutional actors—in determining whether elite strategies succeed, fail, or backfire catastrophically. The study demonstrates that "fascism" functioned less as coherent ideology than as emergency elite strategy deployed under specific material conditions, with success or failure depending on factors including strongman characteristics, elite unity, institutional strength, and international context.

Keywords: Fascism, interwar period, elite coordination, Business Plot, Mussolini, Hitler, Franco, Smedley Butler, authoritarianism, comparative history

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I. INTRODUCTION: PARALLEL CRISES, DIVERGENT OUTCOMES

The Common Pattern Across Four Nations

On the evening of November 20, 1934, retired United States Marine Corps Major General Smedley Butler testified before the Special Committee on Un-American Activities (the McCormack-Dickstein Committee) about an extraordinary conspiracy. According to Butler, representatives of wealthy industrialists and financiers had approached him months earlier with a proposal: he would lead a force of 500,000 veterans in a march on Washington to pressure President Franklin D. Roosevelt, effectively installing a fascist government that would protect business interests threatened by New Deal policies. Butler, a two-time Medal of Honor recipient and one of the most decorated Marines in American history, had refused and instead exposed the plot.

The committee's final report stated that Butler's testimony was credible regarding attempts to involve him in such activities, though it stopped short of confirming the full conspiracy. No prosecutions resulted. The plot, if it existed as described, had failed because the strongman chosen by elites proved uncontrollable—not through ambition but through loyalty to constitutional democracy.

That same year, across the Atlantic, Adolf Hitler consolidated absolute power in Germany. Conservative elites—Prussian Junkers, industrialists, military officers—had orchestrated his appointment as Chancellor in January 1933, convinced they could control him. Former Chancellor Franz von Papen, who had negotiated Hitler's appointment with President Hindenburg, famously declared: "In two months, we will have pushed Hitler so far into a corner that he'll squeak." Within eighteen months, Hitler had eliminated all rivals, subordinated the military to personal oath, coordinated systematically with industrialists who funded his regime, and begun the territorial expansion that would lead to history's most destructive war. The elites who thought they were hiring a strongman to protect their interests had instead empowered someone who would destroy everything they sought to preserve.

Meanwhile, in Spain, tensions built toward civil war. The Popular Front coalition of socialists, communists, and anarchists had won the February 1936 elections, threatening land reform that would redistribute great estates held by latifundistas for centuries. The Catholic Church faced anticlerical policies. Traditional elites—landowners, clergy, military officers—coordinated to fund General Francisco Franco's July 1936 coup against the Republic. Three years of brutal civil war followed, but Franco emerged victorious. He would rule Spain for nearly forty years, protecting precisely the elite interests that had funded his rise. Church properties remained secure. Land reform never materialized. The left was systematically destroyed. Franco proved to be the perfect strongman—powerful enough to crush all opposition, but ultimately loyal to the elite coalition that had elevated him.

And in Italy, where the pattern had begun, Benito Mussolini had already demonstrated for more than a decade that violent suppression of organized labor through paramilitary force could protect industrial and agricultural wealth from democratic redistribution. The *Biennio Rosso* (Two Red Years) of 1919-1920 had seen Italian workers occupy factories, socialists win local elections, and strikes paralyze production. Liberal democratic institutions proved unable or unwilling to use sufficient force to protect property rights. Italian industrialists, organized through Confindustria, and northern landowners therefore funded Mussolini's *Fasci di Combattimento*—armed squadristi who violently broke strikes, destroyed union halls, and murdered socialist organizers. By October 1922, Mussolini's March on Rome brought fascists to power with elite backing. The left was crushed. Property was secure. For Italian elites, fascism worked.

Four Cases, One Structural Pattern, Variable Outcomes

These four episodes—occurring within a fifteen-year span across different national contexts—represent variations on a common theme. In each case, established elites confronted organized left-wing movements that threatened wealth redistribution through democratic or

revolutionary means. In each case, traditional liberal democratic or republican institutions appeared insufficient to contain these threats. In each case, elite factions coordinated to employ or attempt to employ authoritarian strongmen and organized violence to suppress the left and protect property rights.

Yet the outcomes varied dramatically. The Business Plot failed at recruitment. Franco succeeded perfectly. Mussolini succeeded until international war destroyed everything. Hitler succeeded so thoroughly at crushing opposition that he escaped elite control entirely, leading to catastrophic destruction of the elites who had empowered him.

This variation within structural similarity reveals something crucial about elite power, democratic vulnerability, and the role of human agency in historical outcomes. The material conditions—economic crisis, organized left movements, elite wealth under threat—were remarkably parallel across these four cases. The elite strategy—coordinate with military or paramilitary forces to suppress democratic left through authoritarian means—was essentially identical. What varied were the specific decisions made by strongmen, elite actors, and institutional figures operating under these structural constraints.

Analytical Framework: Structure and Agency in Elite Response

This analysis departs from standard ideological treatments of fascism that emphasize its philosophical content—corporatism, nationalism, totalitarian ambition, cult of the leader. Instead, it treats fascism and related authoritarian movements as rational elite responses to specific material threats under particular structural conditions. The framework examines three interconnected levels:

Structural Conditions: The material and institutional circumstances that create both threats to elite power and opportunities for authoritarian solutions. These include economic crisis, state capacity limitations, international geopolitical pressures, and the balance of class forces. In the interwar period, World War I's devastation, the Bolshevik Revolution's demonstration effect, and the Great Depression created remarkably similar structural conditions across industrialized nations.

Elite Coordination: The mechanisms through which diverse elite factions (industrialists, landowners, military officers, clergy) overcome collective action problems to fund, support, or tolerate authoritarian movements. This requires examining specific organizations, meetings, funding flows, and the bargains struck between traditional elites and new strongmen. Elite unity or fragmentation proves crucial—unified elites can more effectively deploy authoritarian solutions, while fragmented elites may fail to coordinate or may empower strongmen who escape their control.

Human Agency: The specific decisions made by strongmen, elite actors, military officers, and institutional figures operating within structural constraints. Franco chose to remain a traditional conservative dictator protecting elite interests rather than building a revolutionary movement. Hitler chose unlimited territorial expansion and ideological radicalization beyond elite

preferences. Butler chose to expose the conspiracy rather than lead it. Mussolini chose to align with Hitler internationally, bringing catastrophe to Italian elites. These choices mattered—they determined whether elite strategies succeeded, failed, or backfired.

The interplay between these three levels explains both the remarkable similarities across cases (structural conditions and elite strategies) and the dramatic variation in outcomes (human agency and contingent factors). By examining four cases with parallel structures but divergent results, we can isolate which factors proved decisive in determining success or failure of elite authoritarian strategies.

Why These Four Cases?

Italy, Germany, Spain, and the United States represent maximum variation within structural similarity. All four were industrialized or industrializing nations with functioning democratic or republican institutions. All four faced organized left-wing movements threatening wealth redistribution. All four had elite factions that perceived existential threats to their economic interests. All four had available or potentially available strongmen with military credentials. Yet the outcomes ranged from total elite success (Franco's Spain) to catastrophic elite failure (Hitler's Germany) to attempted conspiracy exposure (Butler's United States).

Italy serves as the chronological starting point and proof-of-concept case. Mussolini's 1922 rise demonstrated that violent suppression of the left through paramilitary means could succeed in protecting elite interests, providing a model that other national elites would study and sometimes emulate.

Germany represents the catastrophic miscalculation case. Conservative elites thought they were hiring controllable muscle to suppress communists. Instead, they empowered a revolutionary movement that would destroy them along with everything else.

Spain provides the "perfect execution" case from elite perspective. Franco did exactly what he was hired to do—crush the left, protect the Church, preserve great estates—and ruled for forty years doing precisely that.

The United States offers the failed conspiracy case, revealing both the vulnerability of democratic institutions to elite coordination and the importance of individual agency when the chosen strongman refuses recruitment.

Together, these four cases allow systematic comparison of elite authoritarian strategies under varying conditions, revealing patterns in how elites respond to democratic threats and what determines whether such strategies succeed or backfire.

II. FOUNDATION CONDITIONS: THE COMMON CRISIS OF INTERWAR DEMOCRACY (1918-1933)

The World War I Transformation

The structural conditions that made authoritarian elite responses possible, attractive, or necessary emerged directly from World War I's unprecedented devastation. The war killed approximately seventeen million people, wounded twenty million more, and destroyed productive capacity across Europe on a scale previously unimaginable. But beyond the immediate human and material costs, the war transformed political consciousness and institutional arrangements in ways that proved even more consequential for postwar stability.

First, the war demonstrated that modern industrial states could mobilize economic resources and human populations on scales that dwarfed previous conflicts. Total war required total mobilization—conscription of millions, conversion of entire economies to war production, state control of prices and production, rationing of consumption. Governments that had previously operated with relatively limited capacity suddenly exercised comprehensive control over economic and social life. This demonstrated to both left and right that the modern state possessed capabilities for social transformation far beyond what prewar politics had imagined possible.

Second, the war delegitimized traditional ruling classes across much of Europe. Aristocratic officers had sent millions to die in senseless trench warfare. Monarchies had presided over unprecedented suffering. The prewar social order's moral authority collapsed under the weight of battlefield corpses. When Kaiser Wilhelm fled to exile in November 1918, when the Austro-Hungarian and Ottoman Empires disintegrated, when revolution swept across Germany, Hungary, and Russia, traditional hierarchies that had seemed eternal proved suddenly vulnerable.

Third, the war created millions of traumatized veterans with military training, experience in organized violence, and difficulty reintegrating into civilian society. These men would provide recruits for both left-wing revolutionary movements and right-wing paramilitary organizations. In Germany, the Freikorps—volunteer units of veterans—would fight communist insurgencies in 1919-1920 before many members joined Nazi stormtroopers. In Italy, arditi (assault troops) veterans would form the core of Mussolini's squadristi. The war had created a reserve army of violent specialists available to whoever could harness their resentments.

Fourth, the war's economic disruption created conditions for sustained crisis. Productive capacity had been destroyed or converted to war production. International trade networks were shattered. War debts and reparations created massive financial imbalances. Inflation plagued multiple nations—Germany's hyperinflation of 1923 wiped out middle-class savings, creating resentments that would fuel Nazi support a decade later. The postwar economic order proved fragile and unstable, vulnerable to the catastrophic collapse that would come in 1929.

The Bolshevik Revolution: Proof That Revolution Could Succeed

On November 7, 1917, Bolshevik forces seized the Winter Palace in Petrograd, overthrowing Russia's Provisional Government and establishing the world's first communist state. For elites across the industrialized world, this event represented something far more threatening than a distant political upheaval. It demonstrated that revolution could actually succeed—that organized workers led by revolutionary intellectuals could seize state power, expropriate capitalist property, and attempt to restructure society along collectivist lines.

The implications were terrifying for property owners everywhere. Russia had been a major European power with substantial industrial development. The Bolsheviks had not simply won a peasant uprising in a backward agrarian society—they had mobilized urban workers, won key military units to their cause, and proven capable of consolidating power against both domestic and international opposition. The fact that civil war would rage in Russia until 1922, and that Western powers would intervene militarily against the Bolsheviks (including American, British, French, and Japanese forces), demonstrated both the perceived threat and the difficulty of suppressing revolutionary movements once they seized state apparatus.

Communist parties and movements proliferated across Europe and beyond in the revolution's wake. The Communist International (Comintern), founded in Moscow in 1919, coordinated revolutionary activity internationally. Communist parties formed in Germany, France, Italy, Spain, and dozens of other nations. Many achieved significant electoral success—the German Communist Party (KPD) would win 100 Reichstag seats by 1932. Revolutionary uprisings, though ultimately suppressed, broke out in Germany (Spartacist uprising, January 1919), Hungary (Hungarian Soviet Republic, March-August 1919), and elsewhere.

For elites observing these developments, the lesson was clear: the Bolshevik Revolution had transformed communism from abstract threat into demonstrated capability. Workers could be organized. States could be overthrown. Property could be expropriated. The threat was no longer theoretical. This fundamentally altered elite threat perception and willingness to employ authoritarian solutions.

Economic Crisis and the Great Depression

The fragile postwar economic order collapsed catastrophically in October 1929 when the New York Stock Exchange crashed, triggering the worst economic crisis in modern history. The Great Depression's statistics tell a story of devastation comparable in some ways to wartime collapse. By 1933, industrial production in the United States had fallen by nearly half. Unemployment reached 25 percent in America, 30 percent in Germany, 27 percent in Britain. International trade collapsed by two-thirds. Prices fell by 30 percent in deflation that made debt burdens unsustainable. Agricultural prices plummeted, devastating farming communities. Banks failed by the thousands. In Germany, unemployment peaked at over six million, with millions more underemployed.

The Depression's political consequences proved even more significant than its economic devastation. Unemployment and immiseration radicalized workers and made socialist and communist appeals more attractive. Desperate populations became willing to support radical political movements promising solutions. Traditional political parties associated with the prewar order or with orthodox economic policies lost legitimacy as the crisis persisted. Governments fell repeatedly as they proved unable to address the catastrophe through conventional means.

For elites, the Depression created acute vulnerability on multiple fronts. First, bankrupt populations could not purchase goods, creating profit crises for industry. Second, desperate workers became more militant and more attracted to revolutionary politics. Third, democratic electorates increasingly supported parties advocating wealth redistribution, higher taxes on the rich, labor rights, and potentially expropriation of property. Fourth, governments desperate for solutions might implement radical policies threatening elite interests—taking currency off the gold standard (as Roosevelt did in 1933, triggering elite conspiracy in the United States), nationalizing industries, imposing capital controls, or redistributing land.

The Depression thus combined material crisis (falling profits, threatened wealth) with political crisis (radicalized electorates, weakened traditional parties, desperate governments). For elites across the industrialized world, the question became: how to protect wealth and property when democratic institutions might produce governments committed to redistribution and when economic desperation made revolutionary appeals more attractive?

The Rise of Organized Left Movements

The combination of postwar political transformation, Bolshevik demonstration effect, and Depression radicalization produced unprecedented strength for left-wing political movements across Europe and beyond. These movements took multiple forms—communist parties directly affiliated with Moscow's Comintern, independent socialist parties, anarchist unions, social democratic parties—but all threatened wealth redistribution and all gained substantial support from desperate populations.

In Italy, the *Biennio Rosso* of 1919-1920 saw socialist and anarchist movements occupy factories, organize general strikes, and win local elections across northern industrial regions. Workers established factory councils in Turin, Milan, and elsewhere. Agricultural laborers in the Po Valley organized militant unions demanding land reform. The Italian Socialist Party won 156 seats in the 1919 parliamentary elections, becoming the largest single party. Revolutionary sentiment was widespread, and the liberal government appeared powerless to restore order while protecting property rights.

In Germany, the revolutionary ferment that followed military defeat and imperial collapse saw communist uprisings in Berlin (Spartacist revolt, January 1919), Bavaria (Bavarian Soviet Republic, April-May 1919), and other regions. Though these were suppressed—often brutally by Freikorps units—the German Communist Party (KPD) became a major electoral force. By the July 1932 Reichstag elections, the KPD won 89 seats with 14.6 percent of the vote; by November 1932, this had increased to 100 seats and 16.9 percent. Combined with the Social

Democrats' 121 seats, the left commanded substantial parliamentary representation. Conservative elites looked at these numbers and saw the Reichstag potentially falling to a left majority that could legally implement revolutionary policies.

In Spain, the Second Republic (proclaimed April 1931) brought reformist governments that threatened traditional elite privileges. The Popular Front coalition of socialists, communists, and anarchists won the February 1936 elections with a program including land reform that would redistribute great estates, anticlerical policies that threatened Church wealth and influence, and labor legislation empowering unions. Spanish anarchists, particularly strong in Catalonia and Andalusia, organized militant unions (CNT had nearly two million members) that went beyond electoral politics to direct action—strikes, sabotage, occasionally assassinations. Regional separatism in Catalonia and the Basque Country added another layer of perceived threat to national unity.

Even in the United States, though the left never achieved European strength, the Depression created unprecedented support for radical alternatives. The Communist Party USA grew to perhaps 75,000 members by the mid-1930s. Socialist Party candidate Norman Thomas received 884,000 votes in the 1932 presidential election. More importantly, Roosevelt's New Deal—though far from socialist—implemented policies that horrified business elites: taking the dollar off gold, creating Social Security, empowering unions through the National Labor Relations Act, establishing minimum wages and maximum hours, imposing progressive taxation, and creating extensive government intervention in the economy. For elites who viewed gold standard orthodoxy as sacrosanct and government economic intervention as path to socialism, the New Deal represented existential threat.

Elite Threat Perception: Why Traditional Mechanisms Failed

For property-owning elites confronting these organized left movements, traditional mechanisms for protecting wealth under democratic systems appeared increasingly inadequate. These traditional mechanisms had included: controlling political parties through funding and elite networks, limiting franchise to property owners or taxpayers, using state violence selectively to suppress strikes or riots while maintaining constitutional order, relying on conservative parties to win elections, and trusting that economic orthodoxy would prevent radical redistribution.

Each of these mechanisms faced challenges in the postwar environment. Universal male suffrage (and in some nations women's suffrage) meant electoral majorities could be mobilized from propertyless classes. Left parties were winning elections or commanding substantial parliamentary representation, making government by traditional conservative parties impossible without coalitions. Economic crisis had discredited orthodox policies, creating pressure for government intervention. State violence, while available, faced constraints—liberal democratic states could break strikes or suppress riots but typically lacked both the will and legal framework for systematic violent suppression of political movements operating within constitutional bounds.

Most critically, the Depression had created a crisis where traditional economic policies—maintaining gold standard, balancing budgets, allowing deflation to run its

course—appeared to be failing catastrophically while also inflicting immense suffering that made left alternatives more attractive. Governments faced impossible dilemmas: maintaining orthodoxy risked revolutionary explosion from desperate populations, while abandoning orthodoxy risked implementing policies that threatened elite wealth directly.

Under these conditions, some elite factions concluded that liberal democratic institutions themselves had become the problem. If democratic politics meant electoral majorities supporting wealth redistribution, if constitutional constraints prevented systematic suppression of left movements, if legal strikes could paralyze production, then perhaps democracy required suspension or dramatic limitation. What was needed, from this perspective, was a strongman unconstrained by democratic niceties who could use whatever force proved necessary to crush the left and protect property rights.

The question was whether such strongmen could be found, funded, and most crucially—controlled. If authoritarian suppression of the left went too far, if the strongman became independent of elite control, if the cure proved worse than the disease, then elite strategy could backfire catastrophically. The four cases examined here demonstrate that all these outcomes were possible, depending on specific circumstances and choices.

III. THE ITALIAN PRECEDENT: MUSSOLINI AS PROOF-OF-CONCEPT (1919-1922)

The Biennio Rosso and Elite Panic

The crisis came to Italy first and most acutely. The *Biennio Rosso* (Two Red Years) of 1919-1920 represented the closest Italy came to socialist revolution outside of wartime conditions. Workers in northern industrial cities—particularly Turin and Milan—began occupying factories in August-September 1920. At its peak, over 400,000 workers were involved in factory occupations. They established workers' councils to manage production, flying red flags over occupied plants. The movement had both economic demands (wages, conditions) and revolutionary implications—the factory councils could potentially become organs of workers' power parallel to or replacing capitalist ownership.

Simultaneously, agricultural laborers in the Po Valley organized militant unions demanding better wages and conditions from landowners. Strikes were widespread. Socialist and anarchist unions demonstrated capacity for mass mobilization. The Italian Socialist Party (PSI), having won 156 seats in the 1919 elections and become the largest parliamentary party, appeared potentially capable of winning enough power to implement socialist policies legally.

This combination—militant industrial occupations, agricultural labor organization, and socialist electoral strength—created acute elite panic. Italian industrialists, represented primarily through Confindustria (the General Confederation of Italian Industry), and large landowners in northern

Italy faced what appeared to be coordinated threat across multiple fronts. Factory occupations directly challenged property rights. Agricultural strikes threatened landowner profits. Socialist parliamentary strength meant potentially legal implementation of redistributive policies.

The liberal Italian government under Prime Minister Giovanni Giolitti pursued a strategy of negotiation and compromise. Giolitti met with both industrialists and union leaders during the factory occupations, eventually brokering an agreement where workers would return to work in exchange for wage increases and promises of worker participation in management. This resolution satisfied neither workers (who had wanted more radical change) nor industrialists (who viewed any negotiation as dangerous legitimization of occupations).

For Italian industrialists and landowners, Giolitti's compromise approach revealed a fundamental problem: the liberal democratic state, operating under constitutional constraints and seeking to maintain legitimacy through negotiated settlements, would not employ the level of violence necessary to crush the left decisively. Strikes might be broken individually, but the socialist movement would remain intact, unions would continue organizing, and socialist electoral strength would persist. Property rights were insecure as long as democratic politics could produce governments willing to tolerate or even legitimize challenges to those rights.

Mussolini's Blackshirts: Elite-Funded Paramilitary Solution

Into this crisis stepped Benito Mussolini, a former socialist journalist who had broken with the PSI over World War I and founded the *Fasci di Combattimento* (combat leagues) in March 1919. Initially, the fascist movement was small—barely 4,000 members by the end of 1919—and its political program was incoherent, mixing nationalist rhetoric with some left-wing economic demands. The movement gained members primarily from disaffected veterans, particularly arditi (assault troops) who had difficulty reintegrating into civilian life.

The transformation came in 1920-1921 when Italian industrialists and landowners, desperate for force to protect their property, began systematically funding the fascist squads. This funding enabled dramatic expansion. Fascist squadristi organized violence against socialist targets with increasing frequency and effectiveness. They destroyed union halls, attacked strikers, beat or murdered socialist organizers, burned down socialist newspapers, and drove elected socialist officials from office. The violence was not random but systematic—targeted specifically at destroying left organizational capacity.

The methodology was brutal but effective. Fascist squads, often numbering dozens to hundreds of armed men, would descend on socialist-controlled towns, beating or killing resisters, destroying socialist institutions, and terrorizing populations into submission. Local police and military typically did not intervene to stop fascist violence—in many cases they actively cooperated, viewing the fascists as necessary allies against communism. The liberal state's monopoly on legitimate violence broke down as paramilitary forces operated with de facto impunity.

Crucially, this violence received direct financial and logistical support from Italian elites. Large landowners in the Po Valley funded squadristi to break agricultural strikes. Industrialists in Confindustria provided financial backing for urban squads. Conservative newspapers lionized fascist "action" against reds. Local elites provided transportation, weapons, and safe houses. The fascist movement, though rhetorically independent and led by Mussolini's charismatic populism, functionally operated as an anti-socialist paramilitary force funded by threatened property owners.

By mid-1921, fascist violence had largely broken the back of Italian socialism's militant phase. Factory occupations had ended. Agricultural strikes became far more difficult to organize. Socialist electoral strength began declining—in the May 1921 elections, the PSI fell to 122 seats while Mussolini's National Fascist Party (officially formed November 1921) won 35 seats. More importantly, socialist organizational capacity—union halls, newspapers, local party offices—had been physically destroyed across much of northern Italy.

The March on Rome and Elite Capitulation

Having demonstrated effectiveness at destroying the left, Mussolini demanded power. In October 1922, fascist squadristi organized a "March on Rome" intended to pressure King Victor Emmanuel III into appointing Mussolini prime minister. The march itself was somewhat farcical—poorly armed and disorganized fascists were unlikely to take Rome by force if the army opposed them. But the army did not oppose them, and crucially, King Victor Emmanuel refused to sign a decree of martial law that would have authorized military suppression of the march.

The king's refusal reflected elite calculation. Italian industrialists, landowners, and conservative politicians had concluded that Mussolini represented the best available option. The liberal government had proven incapable of containing socialism decisively. The fascists had proven they could and would destroy the left with whatever force proved necessary. If Mussolini was crude, violent, and ideologically incoherent, well, he was also useful and potentially controllable. The king appointed Mussolini prime minister on October 29, 1922.

What followed was gradual consolidation of fascist dictatorship over the next several years. Mussolini initially governed in coalition with liberals and conservatives, gradually eliminating rivals and constraining opposition. The Acerbo Law of 1923 guaranteed two-thirds of parliamentary seats to the largest party, ensuring fascist dominance. The assassination of socialist deputy Giacomo Matteotti in June 1924 by fascist thugs demonstrated the regime's willingness to murder opponents. By 1925-1926, Mussolini had established single-party rule, banned opposition parties, censored press, and created a police state.

For Italian elites, the bargain appeared to work. The left was crushed—unions emasculated, socialist parties banned, communist organizing suppressed. Strikes became illegal. Factory occupations became unthinkable. Large landowners retained their estates. Industrialists retained their factories. Property was secure. The corporatist state that Mussolini constructed subordinated labor to capital in the name of national unity. Profit rates recovered. Order was maintained.

The costs would only become apparent later—surrender of democratic institutions, creation of a police state, and most catastrophically, Mussolini's alliance with Hitler and entry into World War II that would destroy everything Italian elites sought to protect. But in the early-to-mid 1920s, from the perspective of Italian industrialists and landowners, fascism had succeeded. It had solved the problem that liberal democracy could not—it had crushed the left decisively, and it had done so with elite funding and support.

This Italian model became the proof-of-concept that elites in other nations would study as they confronted their own left threats.

IV. COMPARATIVE ANALYSIS: THREE VARIATIONS ON THE ITALIAN MODEL

The Italian experience demonstrated that coordinated elite funding of paramilitary violence could suppress left movements that liberal democratic institutions could not contain. But Italy's success from elite perspective raised crucial questions: Would the same model work in other national contexts? Could strongmen be controlled once empowered? What factors determined whether elite strategies succeeded or backfired? The cases of Germany, Spain, and the United States provide three different answers to these questions.

CASE ONE: GERMANY (1930-1933) - THE CATASTROPHIC MISCALCULATION

Parallel Structural Conditions

Germany in the early 1930s faced conditions remarkably similar to Italy a decade earlier, but intensified. The Weimar Republic, born from imperial collapse and defeat, had never achieved full legitimacy among conservative elites. Hyperinflation in 1923 had wiped out middle-class savings, creating deep resentments. The Depression hit Germany with devastating force—unemployment peaked at over six million, industrial production collapsed, deflation crushed farmers and small businesses. Chancellor Heinrich Brüning's orthodox deflationary policies (cutting spending, maintaining gold standard) intensified suffering while failing to restore growth.

This economic catastrophe radicalized German politics. The German Communist Party (KPD) surged in electoral support, winning 77 seats and 13.1 percent in September 1930, then 89 seats and 14.6 percent in July 1932, and finally 100 seats and 16.9 percent in November 1932. Combined with the Social Democrats' 121 seats, the Reichstag left commanded substantial representation. Street violence between communists and various right-wing paramilitaries became routine. Communist organizing in factories and working-class neighborhoods demonstrated capacity for mass mobilization.

For German conservative elites—Prussian Junkers (aristocratic landowners), heavy industrialists (Krupp, Thyssen, I.G. Farben), military officers, and the traditional bureaucracy—these developments represented existential threat. A left government could implement land reform threatening Junker estates, nationalize industries, expropriate wealth, or even attempt revolution. The Weimar Republic's democratic institutions, like Italy's liberal system, appeared incapable of containing communism decisively. Something more forceful was needed.

The Nazi Solution: Hitler as Elite Tool

Adolf Hitler's Nazi Party offered what appeared to be the perfect solution from conservative elite perspective. The Nazis were virulently anti-communist—stormtroopers (SA) fought street battles with communist paramilitaries, demonstrating willingness to use violence against the left. Hitler's rhetoric combined nationalist appeals that resonated with conservatives, anti-Versailles sentiment that unified Germans across class lines, and virulent antisemitism that provided a scapegoat for Germany's problems. Most importantly, the Nazis had proven electoral appeal—they won 107 seats in September 1930, surged to 230 seats in July 1932 (becoming the largest party), and despite declining to 196 seats in November 1932, remained a mass movement with millions of supporters.

From the conservative elite perspective, Hitler appeared controllable. He was not from their social class—a failed artist and corporal rather than a Junker or industrialist. His movement was crude, populist, and vulgar. But he could mobilize masses, promised to destroy communism, and appeared dependent on elite financial support and political legitimation to actually achieve power. The calculation was that Hitler could be used to crush the left, then managed or discarded once that function was fulfilled.

The key architect of this strategy was Franz von Papen, former Chancellor and representative of conservative elite interests. Von Papen, Paul von Hindenburg's inner circle, and industrial and military leaders concluded that appointing Hitler Chancellor in a coalition government—where he would be surrounded by conservative ministers they controlled—would allow them to use Nazi mass support while maintaining actual power themselves. Von Papen famously declared: "In two months, we will have pushed Hitler so far into a corner that he'll squeak."

On February 20, 1933, shortly after Hitler's appointment as Chancellor on January 30, industrialists and financiers met with Hitler and Hermann Göring in a meeting arranged by Hjalmar Schacht (Reichsbank president). Attending included Gustav Krupp, I.G. Farben representatives, and other major industrial figures. Hitler promised to eliminate communism and restore order. The industrialists pledged three million Reichsmarks to fund the Nazi election campaign. This was direct elite-Nazi coordination—industrialists funding the movement they believed would protect their interests.

The Catastrophic Outcome: Loss of Elite Control

The conservative elite's calculation proved catastrophically wrong within months. Hitler moved with stunning speed to consolidate absolute power. The Reichstag Fire of February 27, 1933—four weeks after Hitler became Chancellor—provided pretext for the Reichstag Fire Decree suspending civil liberties. The March 5 elections gave Nazis and their nationalist allies majority. The Enabling Act of March 23 granted Hitler dictatorial powers. By July 1933, all political parties except the Nazis were banned. Trade unions were dissolved. The SA had grown to over two million members—far exceeding the army's 100,000.

The conservative elites who thought they controlled Hitler quickly discovered their error. When Vice-Chancellor von Papen delivered a speech in June 1934 criticizing Nazi excesses, he was placed under house arrest. During the Night of Long Knives (June 30-July 2, 1934), Hitler had the SA leadership murdered—but also used the purge to kill conservative critics including former Chancellor Kurt von Schleicher and von Papen's speechwriter Edgar Jung. President Hindenburg died August 2, 1934; Hitler combined the offices of President and Chancellor, making himself Führer.

The military, which conservative elites thought would constrain Hitler, was subordinated through a personal oath of loyalty to Hitler himself (August 1934). Officers who might have opposed him were gradually purged or neutralized. When Hitler announced rearmament and universal conscription in March 1935, violating Versailles Treaty restrictions, the military supported him because rearmament served their institutional interests.

Most critically for elite interests, Hitler pursued policies that went far beyond merely crushing communism. He began territorial expansion—remilitarizing the Rhineland (1936), annexing Austria (1938), seizing Czechoslovakia (1938-1939), invading Poland (1939)—that would lead to World War II. He implemented racial policies (Nuremberg Laws 1935, Kristallnacht 1938, eventual Holocaust) that went far beyond what conservative elites had endorsed. He created a totalitarian system that subordinated all institutions—including business—to party control.

German industrialists discovered they had not hired a controllable strongman but empowered a revolutionary movement. While they profited enormously from rearmament and later from slave labor and Aryanization, they had lost autonomy. They could not remove Hitler. They could not constrain his policies. They had created a dictatorship that would ultimately destroy everything—their wealth, their nation, their civilization—in pursuit of ideological goals they had not chosen and could not control.

The war Hitler started would kill over 70 million people globally, destroy German cities through strategic bombing, result in Germany's total military defeat, occupation by foreign powers, and division for forty-five years. The German industrialists who funded Hitler's rise in February 1933 thinking they were hiring muscle to crush communists would see their factories bombed to rubble, their nation divided, and many would face war crimes trials (though as documented elsewhere, most escaped serious consequences). The elite strategy had backfired catastrophically.

The contrast with Italy could not be sharper. Italian elites funded Mussolini and got an authoritarian who protected their interests (until international war destroyed everything). German elites funded Hitler thinking they were getting the same deal, but instead created a totalitarian revolutionary who destroyed them along with everyone else.

CASE TWO: SPAIN (1936-1939) - THE PERFECT EXECUTION

The Second Republic's Threat to Traditional Elites

Spain's Second Republic, proclaimed in April 1931 after King Alfonso XIII fled into exile, represented precisely the kind of democratic threat that elites across Europe feared. The Republic brought reformist governments committed to modernizing Spain through policies that directly threatened traditional elite interests. Land reform legislation aimed to redistribute great estates (*latifundias*) that aristocratic families had held for centuries. Anticlerical policies targeted the Catholic Church's enormous wealth and institutional power—including dissolution of the Jesuit order, secularization of education, and separation of Church and state. Regional autonomy for Catalonia and the Basque Country threatened Spanish national unity. Labor legislation empowered unions to organize and strike.

The Popular Front coalition that won the February 1936 elections intensified these threats. The Popular Front united socialists, communists, and anarchists behind a program of accelerated reform. Land redistribution became more aggressive. Anarchist unions (the CNT had nearly two million members) organized militant actions including general strikes, factory occupations, and occasionally political violence. In Catalonia and elsewhere, workers began seizing land and factories even before legal authorization. Revolutionary rhetoric suggested possibilities beyond electoral reform.

For Spain's traditional elites—the great landowners who controlled much of Spanish agriculture, the Catholic Church hierarchy whose vast properties and institutions faced expropriation, and conservative military officers who viewed the Republic as threat to national order and unity—the Popular Front victory created existential crisis. Unlike Italy's or Germany's gradual left ascendancy, Spain faced immediate implementation of radical policies by a democratically elected government.

Three elite groups coordinated the response. The great landowners (*latifundistas*) who stood to lose estates worked through traditional conservative organizations. The Catholic Church hierarchy, which had initially attempted to work within the Republic, turned decisively against it after anticlerical policies threatened institutional survival. Most critically, conservative military officers, particularly those who had served in Spanish Morocco and were ideologically committed to traditional hierarchy and Catholic values, organized the conspiracy.

The Elite-Funded Coup and Civil War

General Francisco Franco emerged as the key military leader, though the coup involved multiple generals and had been planned for months with elite backing. On July 17-18, 1936, military garrisons across Spain rose in rebellion against the Republic. The coup was neither spontaneous nor purely military—it had been systematically funded and supported by landowners and Church hierarchy who viewed military rebellion as necessary to protect their interests.

The coup did not succeed immediately—in major cities including Madrid and Barcelona, workers' militias and loyal military units defeated the rebellion. Spain split geographically, with the Republic controlling the capital, most major industrial centers, and much of the south and east, while the Nationalists (Franco's forces) controlled northern agricultural regions, Spanish Morocco, and strategically important areas. This division led to three years of brutal civil war.

The Civil War became a proxy conflict for broader European tensions. Nazi Germany and Fascist Italy provided substantial military support to Franco—German Condor Legion aircraft, Italian ground troops, weapons and logistics. The Soviet Union supported the Republic with arms and advisors, though Soviet aid came with strings attached (subordination of independent Spanish communists and anarchists to Stalinist direction). International volunteers formed International Brigades supporting the Republic. But critically, Britain and France, fearful of broader war, maintained a policy of non-intervention that effectively favored Franco by denying the Republic access to arms markets while Germany and Italy supplied Nationalists freely.

Franco's forces ultimately prevailed through superior military organization, better equipment from German and Italian support, and crucially, through systematic terror. Nationalist forces executed tens of thousands of suspected Republicans in areas they conquered. The bombing of Guernica by German aircraft (April 1937), immortalized in Picasso's painting, demonstrated the brutality deployed. By March 1939, Republican forces collapsed and Franco entered Madrid victorious.

Franco's Forty-Year Rule: Elite Interests Protected

What followed was precisely what Spanish conservative elites had funded Franco to deliver. Franco established an authoritarian regime that would last until his death in 1975—nearly forty years of dictatorship that systematically protected the interests of those who had backed his coup.

Land reform was reversed. Great estates were restored to aristocratic families. The latifundistas who had funded Franco's rebellion retained their properties throughout his rule. No significant land redistribution occurred. Agricultural labor remained cheap and exploitable. The agrarian structure that the Second Republic had threatened remained intact.

The Catholic Church was restored to institutional primacy. Church properties confiscated under the Republic were returned. Religious education became compulsory. The Church received state funding and privilege. Franco presented himself as defender of Catholic Spain against communist atheism. In return, the Church hierarchy provided ideological legitimation for the

dictatorship. This bargain served both parties—Franco gained moral authority, the Church regained wealth and power.

Labor unions were crushed and remained banned throughout Franco's rule. The CNT (anarchist union) and UGT (socialist union) were destroyed. Independent labor organizing became impossible. Strikes were illegal. Workers could not bargain collectively. This ensured low wages, high profits for industrialists and landowners, and stability of property relations. The left that had threatened expropriation was eliminated as political force.

Franco maintained this system through systematic repression. Political opponents were imprisoned, executed, or driven into exile. Tens of thousands were killed in the immediate postwar repression. Hundreds of thousands more were imprisoned over the decades. Press was censored. Political parties were banned. Regional languages (Catalan, Basque) were suppressed. The regime maintained a police state that made opposition extremely dangerous.

Crucially, Franco did not pursue territorial expansion or ideological radicalization beyond Spanish borders. Unlike Hitler, Franco was content to rule Spain alone. He sent the Blue Division to fight for Germany on the Eastern Front, but kept Spain nominally neutral in World War II, refusing Hitler's pressure to enter the war. This neutrality allowed Spain to avoid the catastrophic destruction that befell Germany and Italy.

From the perspective of the Spanish elites who had funded Franco's rebellion, the outcome was perfect. They had hired a strongman to destroy the left and protect their property. He had done exactly that and continued doing it for four decades. The Church retained its power and wealth. The landowners retained their estates. Labor remained subordinated. The system they had nearly lost to democratic reform was preserved through authoritarian violence.

The costs were borne by others—the hundreds of thousands killed, the millions repressed, the stagnation of Spanish democracy for two generations. But for the elites who coordinated Franco's rise, the strategy succeeded completely. Franco proved to be the controllable strongman that Hitler had not been—powerful enough to crush all opposition, but ultimately loyal to the traditional elite interests that had elevated him.

CASE THREE: THE UNITED STATES (1933-1934) - THE ABORTED CONSPIRACY

The New Deal as Elite Threat

The United States faced different structural conditions than the European cases—no revolutionary socialist movement, no mass communist party winning substantial parliamentary seats, no factory occupations or general strikes paralyzing production. American exceptionalism was real in this sense; the Depression radicalized American politics less than European politics, and the left remained far weaker organizationally.

Yet from the perspective of American business elites, Franklin D. Roosevelt's New Deal represented existential threat comparable to what European elites faced. The specifics were different but the fundamental dynamic was similar: democratic government implementing policies that threatened elite wealth and challenged orthodox economic principles that elites viewed as sacrosanct.

The pivot point was Roosevelt's decision in March 1933 to take the dollar off the gold standard. For business elites who viewed gold standard as foundation of sound money and stable property rights, this was heresy. Abandoning gold meant inflation could erode wealth, government could manipulate currency, and financial orthodoxy that protected creditors would be violated. Combined with other New Deal measures—creation of Social Security, empowerment of unions through the National Labor Relations Act (Wagner Act), establishment of minimum wages and maximum hours, progressive taxation, extensive government economic intervention—the New Deal appeared to business conservatives as path toward socialism.

The American Liberty League, founded in August 1934, represented organized business opposition to Roosevelt. Its backers included the du Pont family, J. Howard Pugh (Sun Oil), and financiers with ties to J.P. Morgan. The League's rhetoric was defensive—protecting liberty, defending constitution, opposing government overreach. But the substance was protecting property rights against democratic redistribution.

For some among this elite faction, legal opposition through the Liberty League was insufficient. Roosevelt had won overwhelming electoral mandate in 1932 (42 states, 57.4% popular vote). The New Deal had popular support. Congressional Democrats had large majorities. Constitutional opposition seemed futile when democratic majorities supported policies threatening elite interests. If democracy produced Roosevelt, perhaps democracy required circumvention.

The Business Plot: Elite Conspiracy and Butler's Refusal

The alleged conspiracy that became known as the Business Plot began in July 1933 when bond salesman Gerald C. MacGuire approached retired Marine Major General Smedley Butler. MacGuire was intermediary for wealthy backers—evidence suggested involvement of Robert Sterling Clark (heir to Singer sewing machine fortune) and possibly others in du Pont and Morgan circles. The proposal evolved over multiple conversations through summer and fall 1933.

According to Butler's later testimony, MacGuire described a plan where Butler would lead a force of 500,000 veterans (recruited from American Legion and other veteran organizations) in a march on Washington. This force would pressure Roosevelt to appoint Butler as Secretary of General Affairs, a new position with authority over domestic policy. Roosevelt would remain as figurehead while real power shifted to a military-backed government more amenable to business interests. The model explicitly referenced Mussolini's March on Rome and the February 6, 1934 fascist riots in Paris.

MacGuire allegedly showed Butler bank statements demonstrating access to substantial funds. He discussed recruitment of veterans, procurement of arms, and organization of the march. He presented this as patriotic action to save America from Roosevelt's socialist policies. The backers believed Butler—the most decorated Marine, immensely popular among veterans—could mobilize enough support to make the coup feasible.

Butler's response determined the conspiracy's fate. Rather than accept, Butler contacted journalist Paul Comly French, who independently interviewed MacGuire and corroborated Butler's account. Butler then approached the Special Committee on Un-American Activities (McCormack-Dickstein Committee) in November 1934 and provided detailed testimony. French corroborated. MacGuire, when called to testify, denied the most damaging allegations but his denials were unconvincing.

The committee's final report, issued February 15, 1935, stated: "In the last few weeks of the committee's official life it received evidence showing that certain persons had made an attempt to establish a fascist organization in this country... There is no question that these attempts were discussed, were planned, and might have been placed in execution when and if the financial backers deemed it expedient." The report confirmed Butler's credibility regarding approaches to involve him in such activities.

Yet no prosecutions resulted. No one was charged. The media coverage was minimal—major newspapers largely ignored or dismissed the story. The conspirators, if they existed, faced no legal consequences. The American Liberty League continued its legal opposition to Roosevelt through the remainder of the 1930s.

Why the Plot Failed: The Strongman Variable

The Business Plot failed for a reason fundamentally different from why Hitler succeeded or Franco succeeded. It did not fail due to elite disunity, institutional constraints, or lack of resources. It failed because the strongman chosen by the conspirators refused recruitment.

Smedley Butler, despite his background, was the wrong choice for elite conspiracy. Butler had spent thirty-three years in the Marine Corps, rising to Major General, serving in conflicts across Latin America and Asia. His military credentials were impeccable—two Medals of Honor, numerous other decorations, and immense respect among veterans. If anyone could mobilize veteran support, Butler could.

But Butler had also undergone political transformation. After retiring in 1931, he had become increasingly critical of military interventions serving corporate interests. His 1935 book "War Is a Racket" explicitly argued that American military interventions primarily benefited corporations and banks rather than serving national security. He gave speeches denouncing the use of military force to protect business interests abroad. His political trajectory was leftward, not rightward.

Most fundamentally, Butler was constitutionalist who valued democratic institutions. When approached with a conspiracy to subvert those institutions—even one cloaked in patriotic

rhetoric—he rejected it and exposed it. This was human agency operating under structural constraints. The material conditions (elite wealth threatened by New Deal) and elite strategy (hire military strongman to circumvent democracy) were similar to European cases. But Butler's individual character and political commitments led him to refuse rather than accept.

Had the conspirators chosen differently—a general more sympathetic to business interests and less committed to democratic institutions—the outcome might have been different. The conspiracy might have been attempted. Whether it would have succeeded is uncertain—American institutional constraints, geographic dispersion, and political culture created obstacles that European cases did not face. But it might have been attempted.

Butler's refusal meant the conspiracy was exposed rather than executed. The minimal consequences for conspirators demonstrated something important: even exposed, elite coordination against democratic government faced little sanction in the American context. But the conspiracy itself had failed at the recruitment stage because the human agency of the chosen strongman did not align with elite strategy.

V. COMPARATIVE ANALYSIS: EXPLAINING DIVERGENT OUTCOMES

The four cases present a natural experiment in elite authoritarian strategies. The structural conditions were remarkably parallel: economic crisis, organized left movements, elite wealth threatened, democratic institutions insufficient (from elite perspective) to protect property. The elite strategy was essentially identical: coordinate to fund/support strongman and organized violence to suppress left and protect property.

Yet outcomes varied dramatically:

- **Italy**: Elite funding created Mussolini's dictatorship that protected their interests until international war destroyed everything
- **Germany**: Elite funding created Hitler's dictatorship that escaped their control and led to catastrophic destruction
- **Spain**: Elite funding created Franco's dictatorship that protected their interests perfectly for forty years
- **United States**: Elite conspiracy failed at recruitment stage; no coup attempted

Variable One: Strongman Characteristics and Ambitions

The single most important variable explaining divergent outcomes was the character, ideology, and ambitions of the strongman elites attempted to employ. This human agency operated within structural constraints but determined whether elite strategy succeeded or backfired.

Mussolini was opportunistic rather than ideologically driven. Fascism's content was fluid—it evolved from initial left-tinged rhetoric to accommodation with conservative interests to eventually alliance with Hitler. Mussolini's territorial ambitions were limited until Hitler's success inspired expansion. He was controllable by elites for nearly two decades before international factors (alliance with Germany) led to catastrophe. His relatively limited ambitions and willingness to accommodate elite interests meant the Italian model worked from elite perspective.

Hitler was ideologically driven with unlimited ambitions. His worldview—antisemitic, social Darwinist, expansionist—existed before elite support and was not negotiable. Conservative elites thought they could use his mass appeal while controlling his policies. This proved catastrophically wrong. Hitler's ideology demanded territorial expansion (Lebensraum), racial purification (ultimately Holocaust), and total subordination of all institutions to party control. These goals went far beyond elite interests and ultimately destroyed elites along with everyone else. The critical elite error was assuming Hitler was opportunist like Mussolini rather than ideologue with non-negotiable revolutionary program.

Franco was conservative with limited ambitions. Unlike Hitler, Franco had no revolutionary ideology demanding constant expansion or radicalization. He was traditional Catholic authoritarian who wanted to preserve Spanish hierarchy and Church power. His goals aligned almost perfectly with the elites who funded him—protect landowner estates, restore Church privilege, crush the left. He achieved those goals and maintained them for forty years without seeking further transformation. He was controllable because his ambitions were limited and aligned with elite interests.

Butler was constitutionalist with democratic commitments. Unlike the other three, Butler's political evolution had moved him toward critique of elite power rather than service to it. His refusal to join the conspiracy reflected individual character—honor, loyalty to democratic institutions, rejection of violence against constitutional government. From elite perspective, he was the wrong strongman. But his refusal demonstrates that human agency—the specific individual chosen and their commitments—mattered decisively.

Variable Two: Elite Unity and Coordination

The degree of elite unity and effectiveness of coordination mechanisms influenced outcomes significantly.

Italy demonstrated relatively high elite coordination. Industrialists organized through Confindustria, landowners through agricultural associations, and conservatives through traditional political networks coordinated systematically to fund fascist squadristi. This coordination enabled sustained funding over multiple years (1920-1922) and eventual pressure on King Victor Emmanuel to appoint Mussolini. Elite unity made the strategy effective.

Germany showed elite coordination around Hitler's appointment but critical fragmentation in ability to control him afterward. The February 20, 1933 meeting demonstrated industrialist

coordination in funding Nazis. But conservative elites were divided—some supported Hitler enthusiastically, others like von Papen thought they could control him, still others opposed but were marginalized. This fragmentation meant Hitler could exploit divisions. Once he consolidated power, divided elites could not coordinate effective resistance. Elite coordination was sufficient for initial strategy but insufficient for maintaining control.

Spain achieved perhaps the highest elite unity. Landowners, Church hierarchy, and military officers coordinated the conspiracy with remarkable coherence. Their common interests (preserve estates, restore Church privilege, destroy left) created natural alliance. Geographic factors helped—Franco controlled consolidated territory from early in Civil War, allowing unified command. Throughout his rule, these three elite groups remained coordinated in supporting the regime. This sustained coordination enabled Franco's forty-year rule.

United States showed elite coordination in forming Liberty League and funding opposition to New Deal, but the Business Plot (if it existed as described) apparently involved only a faction of business elites. The conspiracy failed at recruitment stage, but even had Butler accepted, uncertain whether broader elite coordination existed to sustain coup attempt. American elite fragmentation—regional, sectoral, political—created obstacles to coordinated authoritarian strategy that European cases did not face.

Variable Three: Institutional Constraints and State Capacity

The strength of existing democratic institutions and state capacity to resist authoritarian takeover influenced whether elite strategies succeeded.

Italy had relatively weak liberal institutions. The Italian state, unified only in 1860s, lacked deep legitimacy. Parliamentary governments were unstable. The monarchy was constitutional but the king had substantial power. When Victor Emmanuel refused to declare martial law against the March on Rome, no institution could override him. Liberal institutions collapsed quickly once elite support shifted to Mussolini.

Germany had stronger institutions in theory—Weimar Constitution was sophisticated, with checks and balances. But Weimar faced legitimacy crisis from birth (association with defeat, Versailles Treaty), economic catastrophes (hyperinflation, Depression), and political polarization. Critically, Article 48 allowed emergency rule by decree, which Brüning had already used extensively. Hitler exploited these existing emergency powers (Reichstag Fire Decree used Article 48) to destroy institutions. German institutions were stronger than Italian but compromised by crisis and exploitable legal mechanisms.

Spain had weakest institutions. The Second Republic was barely five years old when Franco's coup began. It lacked deep roots. Military loyalty was divided. Regional separatism (Catalonia, Basque Country) fragmented state authority. The Republic could not prevent military rebellion. Institutions were too new and fragile to resist coordinated elite-military conspiracy.

United States had strongest institutions—Constitution dating to 1789, stable two-party system, federal structure dispersing power, military subordinated to civilian control, strong rule of law tradition. Even if Butler had accepted and coup been attempted, institutional resistance would have been substantial. Geography also mattered—concentration of power in European capitals made coups feasible; American federal dispersion created obstacles. Whether coup would have succeeded is uncertain, but institutional constraints were far stronger than European cases.

Variable Four: International Context

International factors influenced outcomes significantly, particularly for fascist success and failure.

Italy's fascism succeeded domestically but international alliance with Hitler led to catastrophic defeat in World War II. Had Mussolini remained neutral or allied with Western powers, Italian fascism might have survived indefinitely. International factors ultimately destroyed what had been domestic elite success.

Germany's position in central Europe, surrounded by powers who had defeated it in World War I, meant Hitler's expansionism inevitably produced major war. Elite miscalculation was compounded by international dynamics—Hitler's ideology demanded territorial expansion, and expansion meant war with powers capable of total German defeat. International factors turned elite mistake into catastrophe.

Spain's geographic position on European periphery and Franco's decision to remain neutral in World War II meant international factors did not force regime change. Franco could brutally repress internal opposition without international intervention. Cold War alignment with the West (anti-communist credentials) even gained Franco American support. International factors enabled regime longevity.

United States' geographic isolation meant even if coup succeeded, international consequences would have been minimal. American power was such that European powers could not intervene. International factors were largely irrelevant to domestic conspiracy's failure or success.

Synthesis: Why Outcomes Diverged

Combining these variables explains divergent outcomes:

Italy: Elite coordination + Mussolini's controllability + weak institutions + (eventually) catastrophic international alliance = initial elite success destroyed by war

Germany: Elite coordination + Hitler's uncontrollability + weak institutions exploited + inevitable major war = catastrophic elite failure

Spain: Elite coordination + Franco's controllability + weak institutions + neutral international position = perfect elite success

United States: Elite conspiracy + Butler's refusal + strong institutions + geographic isolation = conspiracy failed at recruitment

The pattern reveals that elite authoritarian strategies faced several critical variables. Most important was strongman characteristics—ideology, ambitions, controllability. But institutional strength, elite unity, and international context also mattered. Success required not just structural conditions and elite coordination but also fortunate alignment of these variables.

VI. CONTEMPORARY IMPLICATIONS: ELITE RESPONSES TO DEMOCRATIC THREATS

The Persistent Pattern

The interwar period represents perhaps the clearest historical example of elites confronting democratic threats to wealth and deploying authoritarian strategies in response. The structural conditions that produced these responses—economic crisis, organized left movements, democratic institutions producing redistributive policies—have not disappeared. They recur cyclically.

Contemporary parallels are uncomfortable but undeniable. Economic inequality in many developed nations now rivals levels seen in the 1920s. The 2008 financial crisis demonstrated that democratic governments might allow massive wealth destruction or might implement policies (bailouts, quantitative easing) that benefit financial elites at public expense. Political movements advocating wealth redistribution, progressive taxation, and expanded social programs have gained support in multiple democracies. Elite wealth feels threatened by democratic politics in ways that echo, though less intensely, the interwar threats.

The question becomes: do contemporary elites deploy similar strategies? The answer is nuanced. Open fascism remains stigmatized in ways that prevent exact repetition of interwar patterns. But functional equivalents exist—funding right-wing populist movements, supporting authoritarian-leaning leaders, coordinating to constrain democratic policy options, using media control to shape public opinion, employing legal strategies to limit redistributive policies, and in extreme cases, supporting coups against left-wing governments (though typically in peripheral nations rather than developed democracies).

Elite Coordination in Modern Context

Contemporary elite coordination operates through different mechanisms than interwar industrialists directly funding paramilitary squads, but the fundamental dynamic persists.

Campaign finance in the United States allows concentrated wealth to influence elections profoundly. Corporate lobbying shapes legislation. Revolving door between government and industry creates structural coordination. International institutions (IMF, World Bank, WTO) enforce policies favorable to capital mobility and investor rights. Central bank independence insulates monetary policy from democratic pressures. These mechanisms serve functions similar to interwar elite coordination—protecting wealth from democratic redistribution—but through institutional means rather than violent paramilitary action.

The authoritarian temptation remains present when democratic politics threaten elite interests. Support for strongman leaders who promise to constrain democratic institutions, criticism of "excessive democracy" or "populism," and proposals for technocratic governance insulated from electoral pressure all echo interwar elite logic. The specific form differs—contemporary elites typically don't fund blackshirts—but the underlying calculation remains: when democracy threatens property, seek mechanisms to limit democracy.

The Human Agency Variable Remains Critical

The Business Plot's failure due to Butler's refusal demonstrates that human agency matters. Contemporary equivalents exist—generals who refuse coups, officials who uphold constitutional constraints, elite individuals who prioritize democratic institutions over class interests. The specific decisions made by individuals operating within structural constraints determine whether authoritarian strategies succeed or fail.

This creates both danger and hope. Danger because structural conditions (inequality, crisis, democratic threats to elite wealth) could again align to make authoritarian strategies attractive to elites, and finding compliant strongmen is not impossible. Hope because human agency can disrupt elite strategies—Butler's refusal shows that individuals can choose democracy over elite interests, institutions over obedience, constitutional duty over class solidarity.

What History Teaches About Vigilance

The interwar cases teach several lessons for maintaining democratic institutions against elite authoritarian temptations:

First, recognize the pattern. Elite coordination against democratic redistributive threats is not historical aberration but recurring pattern. When economic crisis combines with democratic politics producing policies threatening elite wealth, some elite factions will consider authoritarian options. Recognition of this pattern enables vigilance.

Second, institutional strength matters. American institutions' relative strength created obstacles to Business Plot that Italian, German, or Spanish institutions lacked. Maintaining institutional integrity—rule of law, civilian control of military, checks and balances, free press—provides defense against authoritarian strategies.

Third, elite fragmentation protects democracy. When elites are divided—regionally, sectorally, ideologically—coordinating authoritarian strategies becomes harder. Policies that maintain elite diversity (antitrust, campaign finance limits, media ownership limits) reduce capacity for unified elite action against democracy.

Fourth, strongman characteristics determine outcomes. Not all authoritarian leaders are equally dangerous. Franco-type figures who seek limited restoration of elite privilege differ from Hitler-type figures whose revolutionary ideology demands unlimited expansion and radicalization. Distinguishing between these types matters for assessing threat level.

Fifth, international constraints matter. In interwar period, international balance of power influenced outcomes profoundly. Contemporary globalization and international institutions create both constraints on authoritarian consolidation (difficulty of autarky, international pressure) and enablers (capital mobility allowing elite exit, international coordination of investor-friendly policies). Which factors dominate depends on specific circumstances.

The Warning: Conditions Could Align Again

The disturbing conclusion from this analysis is that the structural conditions producing interwar elite authoritarian strategies could recur. Economic inequality is approaching 1920s levels in many nations. Democratic institutions face legitimacy challenges from polarization, disinformation, and inability to address major crises effectively. Left-wing movements advocating substantial redistribution have gained support. Elite wealth accumulation continues while middle and working classes stagnate. Climate crisis may produce economic and social disruptions comparable to Depression. Migration pressures create political instability.

If these conditions intensify—if severe economic crisis combines with democratic politics producing governments committed to major wealth redistribution—elite temptation to employ authoritarian strategies could return. The mechanisms are available: fund right-wing movements, support strongman leaders, coordinate through networks, deploy violence through proxies, constrain democratic institutions through legal or extralegal means.

Whether such strategies would succeed depends on variables this analysis has identified: elite unity, institutional strength, strongman characteristics, international context, and crucially, human agency—the specific decisions made by individuals when faced with choices between democracy and elite interests.

The interwar period demonstrates that liberal democratic institutions are not self-sustaining. They can be destroyed by elite coordination when those elites perceive existential threat from democratic politics. They can be defended by individuals who choose institutional loyalty over class interests, by fragmented elites unable to coordinate effectively, by strong institutions that resist capture, and by international constraints on authoritarian consolidation.

The vigilance required to maintain democracy is perpetual precisely because the threat is structural rather than aberrational. When economic conditions produce intense inequality and

when democratic politics responds with redistributive pressure, some elite factions will always be tempted by authoritarian solutions. The interwar period showed what happens when that temptation is acted upon—sometimes elite success (Franco), sometimes catastrophic failure (Hitler), sometimes exposure and prevention (Butler).

Which outcome occurs depends not on historical inevitability but on choices made by humans operating under structural constraints. Butler's choice to expose rather than lead the conspiracy, Franco's choice to remain a conservative dictator rather than revolutionary, Hitler's choice to pursue unlimited ideological goals beyond elite control—these human decisions determined outcomes within structural limits.

The lesson for contemporary politics is clear: maintaining democratic institutions requires recognizing elite authoritarian temptations, strengthening institutions against capture, fragmenting elite coordination capability, and fostering the human agency—in military officers, political leaders, elite individuals, and citizens—to choose democracy when elites threaten it.

The interwar period was not unique. The pattern can recur. Whether it does, and whether democratic institutions survive if it does, depends on choices not yet made.

VII. CONCLUSION

Between 1919 and 1939, industrial democracies faced unprecedented challenges to elite wealth from organized left movements empowered by economic crisis and democratic institutions. Four cases examined in this analysis demonstrate that elite responses followed remarkably similar patterns: coordinate to fund or support strongmen and organized violence to suppress the left and protect property rights. The strategies were essentially identical. The outcomes varied dramatically.

Italy's Mussolini provided proof-of-concept that violent suppression of labor through elite-funded paramilitaries could succeed in protecting property. For nearly two decades, Italian fascism worked from elite perspective—until international alliance with Hitler destroyed everything.

Germany's Hitler represented catastrophic elite miscalculation. Conservative elites thought they were hiring controllable muscle to crush communism. Instead, they empowered an ideological revolutionary whose unlimited ambitions led to total destruction of everything elites sought to protect. The error was assuming Hitler was opportunist like Mussolini rather than ideologue with non-negotiable revolutionary program.

Spain's Franco executed the model perfectly from elite perspective. Funded by landowners and Church, Franco crushed the left, reversed land reform, restored Catholic privilege, and ruled for forty years protecting precisely the interests that had elevated him. He proved to be the controllable strongman—powerful enough to destroy all opposition, limited enough in ambition to remain loyal to elite coalition.

The United States' Business Plot failed because General Smedley Butler, the strongman elites chose, refused recruitment and exposed the conspiracy. His refusal demonstrated that human agency—the specific character and commitments of individuals—could disrupt elite strategies even when structural conditions and elite coordination aligned.

The comparative analysis reveals that outcomes depended on intersection of multiple variables: strongman characteristics (ideology, ambitions, controllability), elite unity and coordination, institutional strength, and international context. But most decisive was human agency—the specific choices made by Franco to remain conservative, Hitler to pursue unlimited expansion, Butler to expose rather than lead conspiracy.

For contemporary politics, these cases provide both warning and insight. The structural conditions that produced interwar elite authoritarian strategies could recur. Economic inequality rivals 1920s levels. Democratic institutions face legitimacy challenges. Elite wealth feels threatened by redistributive political movements. If severe crisis combines with democratic governments implementing major redistribution, elite temptation to employ authoritarian strategies could return.

Whether such strategies would succeed depends on factors this analysis has identified. Strong institutions provide resistance. Elite fragmentation prevents coordination. International constraints limit consolidation. And crucially, human agency—individuals choosing democratic institutions over elite interests, constitutionalism over class solidarity, exposure over complicity—can disrupt authoritarian strategies.

The interwar period demonstrates that liberal democracy is not self-sustaining. It can be destroyed when elites coordinate against democratic threats to wealth. It can be defended when institutions resist, elites fragment, and individuals choose democracy. The vigilance required is perpetual because the threat is structural. When conditions align, the temptation returns.

Butler's refusal to lead the Business Plot, Franco's choice to limit ambitions, Hitler's choice to pursue unlimited expansion—these human decisions determined whether elite authoritarian strategies failed, succeeded, or backfired catastrophically. The structural conditions constrained choices but did not determine them. Human agency operated within limits but remained decisive.

The lesson is both dark and hopeful. Dark because the pattern can recur whenever economic crisis combines with democratic threats to elite wealth. Hopeful because human choices matter—institutions can be defended, conspiracies can be exposed, individuals can choose democracy over obedience to elite interests.

The interwar period was not unique aberration but example of recurring pattern in relationship between elite power and democratic institutions. Understanding this pattern enables vigilance. Vigilance enables defense. Defense requires not faith in historical inevitability but commitment to choices that sustain democracy when elites threaten it.

Eighty years separate us from these events. Long enough for memory to fade. Not long enough for the pattern to become obsolete. The structural dynamics that produced interwar elite authoritarian responses persist in modified form. The human capacity to resist or enable such responses persists unchanged.

Whether democracy survives when next crisis aligns conditions favorably for elite authoritarian temptation depends on choices not yet made—by generals who might refuse conspiracies, by officials who might uphold institutions, by citizens who might resist, by elite individuals who might defect. Butler's choice demonstrated that such resistance is possible. Franco's forty years demonstrated that elite strategies can succeed. Hitler's catastrophe demonstrated that elite strategies can backfire beyond imagination.

The pattern is clear. The variables are identified. The outcomes remain contingent on human choices operating within structural constraints. This is simultaneously threatening and empowering knowledge. Threatening because conditions could align again. Empowering because human agency can disrupt elite strategies even when structural conditions appear determinative.

The interwar period's lesson is not determinism but contingency—not that history repeats mechanically but that similar structural conditions produce similar elite temptations, and that human choices determine whether those temptations succeed, fail, or backfire catastrophically. Understanding this pattern is the first step toward maintaining the vigilance required to choose democracy when elites threaten it.

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[Bibliography section follows with appropriate academic sources on interwar fascism, Business Plot, elite coordination, and comparative authoritarianism - to be developed]

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